

**MINUTES OF THE MEETING
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY**

December 18, 2023

Meeting was called to order at 6:33 PM by Chairman James Farley.

Present: James B. Farley, Chairman
Lori Ann Pipczynski, Vice Chairwoman
Lee Mendelson, Treasurer
Douglas Williams, Asst. Treasurer

Absent: Anthony Barresi, Secretary

Signifying a quorum.

Others in Attendance: Tracy Stark-James, Executive Director
Terance Walsh, Agency Counsel (Virtual)

Douglas Williams moved to adopt the proposed agenda. Lee Mendelson seconded. The agenda was adopted.

The Chairman then moved to recess the regular meeting and open a public hearing on behalf of 203 Riverhead, LLC. Lori Ann Pipczynski motioned to recess. Douglas Williams seconded. The regular meeting was recessed at 6:35pm. Chairman opened the public hearing to order at 6:35pm.

PUBLIC HEARING:

Daniel Baker from Greenberg Trawig, as attorney representing 203 Riverhead, LLC, opened the presentation with a brief description of the project. He was joined by Sean Sallie a principal of the project. He noted that he was before the board several times already and that the project cannot move forward without the benefits. Sean Sallie, Developer of Planning and Development at Heatherwood, opened by noting they are the largest owner operator of multi family properties on Long Island with 70 years of experience in residential real estate. He stated that they have never sold a multifamily community. They have partnered with Ornstein Development and Metro Group for this project. He noted that their application for benefits reflects the current market conditions and economic challenges of the high interest rates and volatile material costs. They received final site plan approval Oct 3rd. The project calls for 165 Class A market rate rental apts. anticipating 150 construction job and generating 175 million in economic output during the construction period. This consideration represents the over 7 year approval process. The program includes 52 studios, 80 one bedroom and 33 two bedroom.

Lori Ann Pipczynski asked about the vision for the ground floor activation? Mr Sallie responded that the project has 6,000 sq ft for lobby, amenity and commercial space and hopeful for a local retailer, but nothing identified at this time. They requested maintaining flexibility. There is a 40,000 sq foot first floor footprint. There will be two levels of parking. They will be creating a cellar of onsite parking and some storage, like kayak storage.

James Farley asked the developer's opinion on what size space would create effective retail usage on Main St, Riverhead? Mr. Sallie responded with maintaining adequate depth to accommodate retail or commercial use to allow for a coffee shop or other use. – a few thousand square feet. Chairman Farley also asked, in terms of Riverhead Lofts, how would you compare and contrast the two buildings? Will they be more finely appointed units, more spacious? Mr. Sallie responded that it will be higher scale. There will be a club room, fitness area, and rooftop lounge. Mr. Sallie reviewed the public infrastructure that the project will be enhancing in downtown. Mr. Sallie also indicated that they would be pooling resources with regard to staffing and sharing one staff member in operations between Hampton Bays and Riverhead. There will be 3 new jobs for managing the property.

When the floor was opened to the public, resident Mike Foley made some comments when referring to pages in the developer's application that he disagreed with the findings. He asked why they needed financial assistance when they answered "not applicable" to questions in the application about financial obstacles. He felt the financing costs will go back down and will not present an issue. He requested the board take all his comments into consideration. He added that he felt the town needed more workforce housing.

Mr. Florio, CEO of the Long Island Builders Institute spoke in support of the project. He spoke to the housing crisis, private financing with higher interest rates, and increased costs overall. He stated that if these developments were burdened with the full tax value, there would not be enough return on investment for their capital partners to want to finance these projects. He also noted that he represents developers all over Long Island and they in fact are looking to other places to invest. He mentioned the current tax revenue procured by the vacant lot and compared it to the hundreds of thousands of dollars the community would receive when the project was phased in to full value.

Jonathon Brown, an attorney in Riverhead representing the Riverhead Fire District came to oppose the portion of the project that refers to a PILOT payment impacting the Fire District Taxes. He noted it will impact the need for apparatus and manpower training. Mr. Brown also addressed recent correspondence from the agency regarding tax certiorari cases where the pilot payment could not be estimated. As a result, the Fire District budgeted zero as a revenue stream.

Mr. John Keen, a Baiting Hollow resident spoke in full support of the project. He remarked about the great job Riverhead is doing by comparing driving through Rocky Point and Miller Place with their vacancies.

Ike Israel from local realtor office Richmond Realty and resident of Aquebogue spoke in favor of the development. He referenced the progress downtown has already made as a result of IDA assistance, but that its not there yet. There is still a perception problem and remarked on the beautiful proposed building. He noted that we need the investment and this connecting piece to downtown.

The Chairman noted that the Agency is still waiting on some reports and outstanding information and therefore, held the hearing open until the next Agency meeting is called.

Lori Ann Pipczynski motioned to adjourn the hearing and hold it open until the next Agency meeting. Douglas Williams seconded. The meeting adjourned at 7:31pm until the next Agency meeting.

Lori Ann Pipczynski motioned to reopen the regular board meeting. Lee Mendelson seconded. The board meeting reopened at 7:33pm.

MINUTES: .

#50-23 RESOLUTION APPROVING MINUTES OF REGULAR MEETING OF October 23, 2023, November 13, 2023, and November 20, 2023.

Member Lori Ann Pipczynski offered the following resolution, which was seconded by Member Lee Mendelson.

RESOLVED, the minutes of the meeting of October 2, November 13, and November 20th as prepared and e-mailed be and are hereby approved, and

BE IT FURTHER RESOLVED, that the copies of said minutes be maintained in the files of the Agency and become a part of the record of the Agency.

VOTE: 4 Yes
1 Absent

CORRESPONDENCE: None

TREASURERS REPORT:

Cash Balance in as of November 30th	\$29,996.77
Money Market	\$45,080.83
Revenue for November	\$3.70
Profit and Loss	\$ -9,401.49
Total Expenses Paid	\$18,658.70
Project Deposit Account bal.	\$66,885.88

#51-23 RESOLUTION ACCEPTS REPORT OF EXPENSES AND AUTHORIZES PAYMENT OF BILLS AS OF November 30th, 2023

WHEREAS, Denise Cooper, CPA and Tracy Stark-James, Executive Director, submitted monthly financial reports, including a report of expenses, to the Riverhead Industrial Development Agency for the period of November 1 to November 30, 2023 **as attached**,

NOW, THEREFORE, BE IT RESOLVED, said monthly financial report dated December 2, 2023 covering the month of November be and are hereby accepted and expenses as listed are authorized for payment.

Member Lee Mendelson made a motion to accept Treasurer's Report, which was seconded by Member Douglas Williams. **Motion approved.**

VOTE: 4 Yes
1 Absent

COMMITTEE REPORTS: None

OLD BUSINESS: None

NEW BUSINESS:

The Chairman took New Business out of order to consider Resolution #52-23

#52-23 AUTHORIZES PUBLICATION OF NOTICE OF MEETING

Lori Ann Pipczynski offered the following resolution, which was seconded by Douglas Williams.

RESOLVED, that the following Notice of Meeting shall be published once in The Riverhead News Review:

PUBLIC NOTICE

PLEASE TAKE NOTICE, that the meetings of the Riverhead Industrial Development Agency and the Riverhead IDA Economic Job Development Corporation (RIDA EJDC) shall take place on the first Monday of each month at 5:00pm at the Riverhead Town Hall, 4 West Second Street, Riverhead, New York. The annual meeting will take place in February of the calendar year. If a legal holiday should occur on the first Monday of a month then the meeting will be held on the second Monday of that month, unless otherwise amended by this Board. One additional meeting is scheduled at the end of March and only held as necessary to meet NYS deadlines.

All meetings will be aired on Channel 22 and streamed on the Town of Riverhead Website www.Townofriverheadny.gov and available by Zoom.

The meetings will be recorded and minutes will be produced and posted as usual.

The Riverhead IDA and RIDA EJDC may add or remove items from the posted agendas upon its discretion without further notice. The order in which the agenda appears may also be changed at the discretion of the board.

Meeting notice changes are posted to the Riverhead IDA Facebook page and to the website as reasonably practicable.

BY ORDER OF THE BOARD OF DIRECTORS
RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY

2024 Meeting Schedule

February 5, 2024 Annual

March 4, 2024

March 25, 2024

April 8, 2024

May 6, 2024

June 3, 2024

July 1, 2024

August 5, 2024

September 9, 2024

October 7, 2024

November 4, 2024
December 2, 2022

Vote: 4 Yes
1 Absent

The Chairman then opened the floor to Michael Butler who is making a request for consideration to re-apply for IDA assistance for his property known as the Woolworth Project downtown. The ED explained that Woolworth Revitalization project is a graduate from IDA assistance as of this year and that the property is back on the tax rolls and assistance has ended. Mr Butler is requesting to apply again as a retention project siting difficulty in maintaining the current tenants due to the increase in real property taxes. Mr. Butler relayed to the board the projects situation with retaining commercial tenants once the real property taxes increase to full value. Also in attendance were two tenants from the property, Lisa Pickersgill from Robert James Salon and Steve Loeb from Maximus Gym. Michael briefly reviewed the history of the project and noted that he completed what he promised with a ten year pilot program. He named the current commercial tenants, Riverhead Flower Shop, Metro Phone Store, Goldbergs Bagels, Maximus and Robert James. The building also has 19 workforce apartments at 50, 60 and 80% income levels. He explained that he feels penalized for his success. He described financial hurdles over the covid years, but the businesses are just recovering. He described the challenge the increase in rent will be to the tenants and the need for an additional PILOT due to the significant increase. It makes it unaffordable for the tenants. Goldbergs and the Florist's leases are coming up for renewal. Retention of the existing businesses is an issue and he cannot raise the rent on the affordable apartments. Five or Six times the taxes does not make sense. He explained that he should have had a 20 year PILOT term due to having affordable apartment commitment to 20 years. Costs have increased. Mortgage rate increased. He is not requesting the same benefits as before, maybe a phase in.

Lisa Pickersgill of Robert James Salon noted that her employees suffered during Covid and all the employees are single moms and some take care of their parents.

Steve Loeb of Maximus took over the gym in 2019 because the prior gym went bust, invested and fixed it up. It was doing well then Covid hit and Cuomo closed them down for 6 months. He kept the employees on for 7 weeks. They reopened in September of 2020 but had lost 30% of their members. He explained that this year they are finally turning a profit, but increasing the taxes would just do them in.

The Chairman thanked the presenters for their remarks and moved to close the meeting. Mr. Butler noted he had letters from the other tenants. The ED asked if he has grieved the taxes. He replied yes, but that relief would not be significant enough. The building is way over assessed and he does not believe that will be the remedy.

Seeing no further business, Lori Ann Pipczynski motioned to close the board meeting. Douglas Williams seconded. Motion carried by three affirmative votes. The board meeting adjourned at approximately 7:52pm.

Dated: 2-5-24


Secretary//Asst.